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B104 (FORM 104) (08/07) EDVA

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)		
PLAINTIFFS	DEFEND	ANTS		
ATTORNEYS (Firm Name, Address, and Telephone No.)	ATTORN	EYS (If Known)		
PARTY (Check One Box Only)  □ Debtor □ U.S. Trustee/Bankruptcy Admin  □ Creditor □ Other  □ Trustee	PARTY (C Debtor Creditor Trustee	Check One Box Only)  □ U.S. Trustee/Bankruptcy Admin  □ Other		
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)  NATURE OF SUIT  (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)				
FRBP 7001(1) – Recovery of Money/Property  11-Recovery of money/property - \$542 turnover of property  12-Recovery of money/property - \$547 preference  13-Recovery of money/property - \$548 fraudulent transfer  14-Recovery of money/property - other	FRBP 7001(6) – Dischargeability (continued)  61-Dischargeability - \$523(a)(5), domestic support  68-Dischargeability - \$523(a)(6), willful and malicious injury  63-Dischargeability - \$523(a)(8), student loan  64-Dischargeability - \$523(a)(15), divorce or separation obligation			
FRBP 7001(2) – Validity, Priority or Extent of Lien  21-Validity, priority or extent of lien or other interest in property	(other than domestic support)  65-Dischargeability - other			
FRBP 7001(3) – Approval of Sale of Property  ☐ 31-Approval of sale of property of estate and of a co-owner - §363(h)	FRBP 7001(7) – Injunctive Relief  71-Injunctive relief – imposition of stay  72-Injunctive relief – other			
FRBP 7001(4) – Objection/Revocation of Discharge  41-Objection / revocation of discharge - §727(c),(d),(e)		Subordination of Claim or Interest dination of claim or interest		
FRBP 7001(5) − Revocation of Confirmation  51-Revocation of confirmation	FRBP 7001(9) Declaratory Judgment  91-Declaratory judgment			
FRBP 7001(6) – Dischargeability  ☐ 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims  ☐ 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud  ☐ 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny  (continued next column)	Other SS-SIPA	D) Determination of Removed Action mination of removed claim or cause  Case – 15 U.S.C. §§78aaa et.seq. (e.g. other actions that would have been brought in state court		
· · ·		elated to bankruptcy case)		
☐ Check if this case involves a substantive issue of state law ☐ Check if a jury trial is demanded in complaint	Demand \$	this is asserted to be a class action under FRCP 23		
Other Relief Sought				

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B104 (FORM 104) (08/07), Page 2

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES				
NAME OF DEBTOR		BANKRUPTCY CASE NO.		
DISTRICT IN WHICH CASE IS PENDING		DIVISION OFFICE	NAME OF JUDGE	
RELATED ADVERSARY PROCEEDING (IF ANY)				
PLAINTIFF	DEFENDANT	Γ	ADVERSARY PROCEEDING NO.	
DISTRICT IN WHICH ADVERSARY IS PENDIN	lG	DIVISION OFFICE	NAME OF JUDGE	
SIGNATURE OF ATTORNEY (OR PLAINTIFF)				
DATE		PRINT NAME OF ATTORNE	Y (OR PLAINTIFF)	

#### INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 104, the Adversary Proceeding Cover Sheet, \*unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

**Plaintiffs** and **Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

**Attorneys.** Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

**Demand.** Enter the dollar amount being demanded in the complaint.

**Signature.** This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

\*Per LBR 7003-1, in the EDVA, a properly completed Adversary Proceeding Cover Sheet is required.

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### IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

In re:	) Case No. 08-35653 (KRH)
CIRCUIT CITY STORES, INC., et al.,	) Chapter 11
Debtors.	) (Jointly Administered)
ALFRED H. SIEGEL, AS TRUSTEE OF THE CIRCUIT CITY STORES, INC. LIQUIDATING TRUST,	) ) Adv. Pro. No. 10)
Plaintiff,	)
v.	)
TIME WARNER CABLE, LLC,	)
Defendant.	) 

THE LIQUIDATING TRUSTEE'S COMPLAINT FOR BREACH OF CONTRACT, UNJUST ENRICHMENT, ACCOUNT STATED AND TURNOVER

Alfred H. Siegel, the duly appointed trustee of the Circuit City Stores, Inc. Liquidating Trust (the "Trustee"), pursuant to the Second Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and its Official Committee of Creditors Holding General Unsecured Claims (the "Plan"), for his complaint (the "Complaint") against Time Warner Cable LLC("Defendant"), alleges as follows:

#### NATURE OF THE ACTION

1. The Trustee brings this action against Defendant to recover amounts due and owing from Defendant to Circuit City arising from the relationship between the parties. The Trustee seeks recovery for breach of contract, unjust enrichment, account stated as well as turnover of property of the bankruptcy estates.

### THE PARTIES

- 2. The Trustee ("Trustee" or "Plaintiff") is the duly appointed trustee of the Circuit City Stores, Inc. Liquidating Trust (the "Trust"). Pursuant to Articles II and III of the Trust, the Trustee has the sole authority to pursue claims transferred to the Trust by the Debtors through the Plan, and to litigate objections to claims asserted against the Debtors' estates.
- 3. Prior to the Effective Date of the Plan, Circuit City Stores, Inc. and its affiliated debtors in possession (collectively "Circuit City" or the "Debtors")<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc.(6796), Sky Venture Corp. (0311), PRAHS, Inc.(n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), (cont'd)

were corporations that maintained their respective principal places of business in the locations set forth below, and were the debtors in the above-captioned chapter 11 bankruptcy cases.

4. Upon information and belief, defendant Time Warner Cable LLC is a corporation organized under the laws of the State of Delaware with its principal place of business in Stamford, Connecticut.

#### JURISDICTION AND VENUE

- This Court has jurisdiction to consider this matter under 28
   U.S.C. §§ 157 and 1334.
  - 6. This is a core proceeding under 28 U.S.C. § 157(b).
- 7. Venue of these chapter 11 cases and this adversary proceeding in this district and before this Court is proper under 28 U.S.C. §§ 1408 and 1409.
- 8. The statutory and legal predicates for the relief requested by the Complaint are sections 105, 503, 541, 542, 550, and 558 of title 11, United States Code (the "Bankruptcy Code"), Bankruptcy Rules 3007 and 7001, and Local Bankruptcy Rule 3007-1.

#### PERTINENT FACTS

#### A. General Case Background

9. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code,

<sup>(</sup>cont'd from previous page)

and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address was 9950 Mayland Drive, Richmond, Virginia 23233 and currently is 4951 Lake Brook Drive, Glen Allen, VA 23060.

and until the effective date of the Plan, continued to operate as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

- 10. On November 12, 2008, the Office of the United States

  Trustee for the Eastern District of Virginia appointed a statutory committee of
  unsecured creditors (the "Creditors' Committee").
- 11. On January 16, 2009, the Court authorized the Debtors to, among other things, conduct going out of business sales at all of the Debtors' retail locations (the "Stores") pursuant to an agency agreement (the "Agency Agreement") between the Debtors and a joint venture, as agent (the "Agent"). On January 17, 2009, the Agent commenced going out of business sales at the Stores pursuant to the Agency Agreement. As of March 8, 2009, the going out of business sales at the Debtors' stores were completed.
- 12. On August 9, 2010, the Debtors and the Creditors' Committee filed the Plan, which provides for the liquidation of the Debtors' assets and distribution of the proceeds thereof under chapter 11 of the Bankruptcy Code.
- 13. On September 10, 2010, the United States Bankruptcy Court, Eastern District of Virginia, signed an Order confirming the Plan.
- 14. The Plan became effective on November 1, 2010 (the "Effective Date").

# B. The Business Relationship Between Circuit City And Defendant

15. Prior to the commencement of these bankruptcy cases, the

Debtors were a leading specialty retailer of consumer electronics and operated large

nationwide electronics stores that sold, among other things, televisions, home theatre systems, computers, camcorders, furniture, software, imaging and telecommunications products, and other audio and video electronics.

- assignee, was assigned certain contracts, rights and obligations of its parent Time Warner Cable, Inc. in accordance with the Retail Marketing Agreement dated March 4, 2004, amendments thereto, communications and other documents (the "Agreement"). Pursuant to the Agreement, and contracts entered in to with the Circuit City, Defendant was obligated to pay Circuit City for various items, including but not limited to, marketing, promotions, commissions, services, fees and sales of various products.
- 17. On October 26, 2007, Circuit City and Defendant entered into an agreement pursuant to which Circuit City provided certain services and goods to Defendant, and/or its designated agent, with respect to a sweepstakes offering. On July 1, 2008, the parties entered into an amendment to the Retail Marketing Agreement wherein Defendant was obligated to pay Circuit City on a monthly basis net activated sales made through Circuit City stores, and on October 1, 2008, respectively, entered in to a letter agreement wherein Defendant was allowed to sell product and services within Circuit City Stores in consideration for certain payments to be made to the Debtors. (collectively with the Agreement; "Defendant's Agreements").

- 18. Circuit City and Defendant conducted business with one another up to and through the Petition Date, and thereafter under the Defendant's Agreements.
- 19. During the ordinary course of the Debtors' business, the Debtors maintained books and records of their transactions with Defendant (the "Books and Records").

## C. Amounts Owed To Circuit City By Defendant

20. As of the date hereof, on account of the pre- and post-petition business conducted between Defendant and Circuit City pursuant to the Defendant's Agreements or otherwise, Defendant is indebted to Circuit City on account of the following unpaid obligations (the "<u>Unpaid Obligations</u>") in at least the following amounts:

Chargebacks	\$294,237,70
TOTAL	\$294,237.70

21. The Unpaid Obligations are due, owing, and payable by Defendant to Circuit City.

#### **COUNT I**

#### **BREACH OF CONTRACT**

- 22. The Trustee repeats and realleges each of the allegations set forth above as if fully set forth herein.
- 23. Pursuant to the Defendant's Agreements, Defendant is obligated to pay to the Debtors the Unpaid Obligations.

- 24. The Defendant's Agreements are valid and enforceable agreements against Defendant.
- 25. The Debtors performed their obligations under the Defendant's Agreements with respect to the Unpaid Obligations.
- 26. Defendant's failure to compensate the Debtors for the Unpaid Obligations in an amount not less than \$294,237.70 constitutes a material breach of Defendant's obligations under the Defendant's Agreements.
- 27. As a direct and proximate result of Defendant's breaches, the Debtors incurred damages in an amount not less than \$294,237.70.
- 28. Accordingly, the Trustee is entitled to a judgment against Defendant in an amount not less than \$294,237.70.

## COUNT II

### **UNJUST ENRICHMENT/QUASI CONTRACT**

- 29. The Trustee repeats and realleges each of the allegations set forth above as if fully set forth herein.
- 30. In the alternative to Count III, but without waiving any allegation with respect thereto, the Trustee makes the following additional allegations in support of Count IV.
- 31. The Debtors conferred a benefit upon Defendant pursuant to the Defendant Agreements by performing services and providing support and product for various of Defendant's marketing and sales offerings.
- 32. Defendant knowingly accepted the benefit conferred by the Debtors.

- 34. Defendant's receipt of benefit without just compensation to the Debtors has unjustly enriched Defendant in an amount not less than \$294,237.70.
- 35. The Trustee has no adequate remedy at law to recover the Unpaid Obligations.
- 36. Accordingly, as a result of Defendant's unjust enrichment at the Debtors' expense, the Trustee is entitled to restitution from the Defendant in an amount not less than \$294,237.70.

#### **COUNT III**

### TURNOVER OF PROPERTY PURSUANT TO 11 U.S.C. § 542

- 37. The Trustee repeats and realleges each of the allegations set forth above as if fully set forth herein.
- 38. In the alternative to Counts III and IV, but without waiving any allegation with respect thereto, the Trustee makes the following additional allegations in support of Count V.
- 39. Defendant is in possession, custody, and control of the Unpaid Obligations in an amount not less than \$294,237.70.
  - 40. Defendant is not a custodian for the Unpaid Obligations.
- 41. The Unpaid Obligations constitute valid and existing debts, due and owing by Defendant to the Debtors.

- 42. The Unpaid Obligations are property of the Debtors' estates under section 541 of the Bankruptcy Code and constitute debts that are matured, payable on demand, or payable on order.
- 43. Despite being requested to do so, Defendant has not turned over or paid to Circuit City the Unpaid Obligations.
- 44. Accordingly, pursuant to Bankruptcy Code section 542,

  Defendant should be compelled to immediately turn over and deliver to the Trustee
  the Unpaid Obligations in an amount not less than \$294,237.70.

## COUNT IV ACCOUNT STATED

- 45. The Trustee repeats and realleges each of the allegations set forth above as if fully set forth herein.
- 46. One or more of the Debtors rendered invoices to the Defendant in the total amount of \$294,237.70.
- 47. Defendant has failed to pay the outstanding amount of \$294,237.70.
- 48. An account has been stated between the Debtor(s) which rendered the invoices and the Defendant whereby Defendant is indebted to such Debtor(s) in the total amount of \$294,237.70.

#### PRAYER FOR RELIEF

WHEREFORE, the Trustee respectfully requests and prays that the Court:

i. Pursuant to Count I, enter judgment against Defendant for breach of contract and award the Trustee damages in an amount not less than \$294,237.70; and

- ii. In the alternative to Count I, pursuant to Count II, enter judgment against Defendant for unjust enrichment and award Circuit City restitution damages on account of Defendant's unjust enrichment in an amount not less than \$294,237.70; and
- iii. In the alternative to Counts I and II, and pursuant to Count III, order Defendant to immediately turn over and deliver to the Trustee the Unpaid Obligations in an amount not less than \$294,237.70; and
- iv. In the alternative to Counts I, II and III, pursuant to Count IV, enter judgment against Defendant for an account stated and award the Trustee damages in an amount not less than \$294,237.70; and
- v. Award the Trustee prejudgment interest at the legally allowed applicable rate;
  - vi. Award the Trustee costs, and expenses of suit herein; and
- vii. Grant the Trustee such other and further relief the Court deems just and appropriate.

Dated: Richmond, Virginia November 8, 2010 TAVENNER & BERAN, PLC

/s/ Paula S. Beran\_

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